Opinion: Capitol talks about California poverty, but takes little long-term action?

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Poverty is the issue du jour of this year's legislative session – with good reason.

By an alternative Census Bureau method of calculating poverty, including the cost of living, 23.4 percent of California's 39 million residents are impoverished, the nation's highest rate.

A Public Policy Institute of California study found that poverty is fairly consistent throughout the state, although Los Angeles County, with high living costs and mediocre incomes, has the highest.

The Census Bureau places about 9 million Californians in poverty, but it obviously extends further because more than 12 million are being enrolled this year in Medi-Cal, the state medical plan for the poor, approaching a third of the population.

However, only 1.3 million Californians are receiving welfare benefits, telling us that most in poverty are in "working poor" families.

California has a two-tier economy, thanks to deindustrialization that erased well-paying blue-collar jobs and massive immigration, primarily from Mexico.

We have an overclass with high incomes in post-industrial careers, an ill-educated underclass confined to low-wage farm and service jobs while struggling to meet living costs, and a shrinking middle class.

24/7 Wall St., an economic website, lists California as the No. 1 state "where the middle class is dying," citing what Senate President Pro Tem Kevin de León calls "a large gap in between."

That, in a nutshell, is the issue, and it has spawned a lot of public activity – demands by advocacy groups, legislative hearings, wordy conferences, etc.

Anti-poverty ideas kicking around the Capitol include raising welfare grants, easing grant limits, taxing real estate paperwork for more affordable housing, enacting a refundable earned income tax credit for the working poor, expanding child care, boosting the minimum wage to $13.70 an hour, and indexing it to inflation.

All face uphill battles because of their budget costs and impacts on private business. And while they might mitigate poverty's effects, they would not attack its root causes – a lack of middle-class jobs, a lack of educated workers for those jobs, and high housing, transportation and utility costs caused, in part, by government decrees.

De León touts "building the new economy of tomorrow" with "clean energy jobs," but so-called green jobs are a tiny portion of the workforce, are dependent on subsidies from taxpayers, utility ratepayers and motorists that push living costs even higher, and displace other kinds of employment.

The state's top energy economist, UC Berkeley's Severin Borenstein, calls it the "job creation shuffle" that has no net benefit.

Poverty is a very difficult issue, but as yet, the Capitol is just talking about applying bandages.

It will be overcome only if California attracts private investment that creates real middle-class jobs and prepares potential workers for those jobs.

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